

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

38

September 9, 2003

FROM: **EMIL A. MARZULLO**, Director
 Special Districts Department

**SUBJECT: AGREEMENT FOR FINANCIAL CONSULTING SERVICES FOR MELLO-
 ROOS SPECIAL TAX ADMINISTRATION SERVICES**

RECOMMENDATION: Acting as the governing body of County Service Area 70, approve Agreement No. 03-_____ with David Taussig & Associates, Inc. to provide financial consulting services for the administration of Mello Roos special taxes for Community Facilities District (CFD) Nos. 2002-1 and 2002-2 (Catellus Kaiser Commerce Center) and 2003-1 (Citrus Plaza) for September 1, 2003 – July 1, 2006 in an amount not to exceed \$36,000 per year.

BACKGROUND INFORMATION: On August 6, 2002, the Board of Supervisors approved the formation of CFD 2002-1 and 2002-2 to finance public improvements and to fund fire suppression within the CFD for the Kaiser Commerce Center project located on the old Kaiser Steel site. The project is to develop 422 acres for large-scale industrial, warehousing and commercial development. The estimated value of the project at completion is \$400 million. Through CFD 2002-01 the County acquired various public improvements such as roadways, sewer and storm drain facilities, water transmission and distribution facilities and public utility improvements. The amount financed to acquire the public improvements through CFD 2002-1 bonds is \$23.6 for a period of 30 years. The bonds will be paid by a special tax per-acre levied on all developed property within CFD 2002-1.

CFD 2002-2 is a special tax for fire suppression within the CFD. The amount of the special tax is \$565 per developed acre and is charged to all new development within the CFD. At build out the revenue generated is estimated at \$500,000 per year.

On February 4, 2003 the Board of Supervisors approved the formation of CFD 2003-1 to finance public improvements within CFD 2003-1 for the Citrus Plaza Development in the area known as the "Donut Hole". Through CFD 2003-1 the County will acquire various public improvements such as roadways, sewer and storm drain facilities, water transmission and distribution facilities. The amount financed to acquire the public improvements through CFD 2003-1 bonds for Phase I of the development is \$5.2 million for a period of thirty years. The bonds will be paid by a special tax per-acre levied on all property within the CFD.

David Taussig and Associates, Inc., was chosen from the Board-approved County pool of financial consultants. The consultant was instrumental in the formation of the CFD's and their knowledge of the formations and the projects will be a great asset in the ongoing administration. The agreement is recommended for a term which is slightly less than three years. Approval of this action will provide the CFD with access to consulting services for the Mello-Roos special tax administration to provide land use research, classification of property, financial analysis, report preparation, submittal of special taxes to the County of San Bernardino, delinquent property owner research, tax roll changes, respond to property owner questions, monthly review of all funds and prepare the required CFD Disclosure Statement.

REVIEW BY OTHERS: This action has been reviewed by County Counsel (Michelle Blakemore) on August 4, 2003 and the County Administrative Office (Wayne Thies, Administrative Analyst) on August 29, 2003.

Record of Action of the Board of Supervisors

FINANCIAL IMPACT: The Consultant will be paid an amount not to exceed \$36,000 per year. The total cost of this Agreement for time and material, based on Exhibit B, is not to exceed \$108,000 for the term. Payments will be made from each individual Community Facility District and are included in the annual levy of each district.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the department's proposal based on the need for specialized services performed by the consultant for the administration of these Community Facilities Districts. This project has no impact on the County General Fund.

SUPERVISORIAL DISTRICT(S): Second and Third

PRESENTER: Jeff Rigney 387-5941